

From russell Wed Sep 18 17:31:41 1996
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From: russell (Robert A. Russell)
To: wang.res@worldnet.att.com
Subject: testing at Salomon
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Dear Dr. Wang:

I spoke with our system administrator, Lifan Wang, about having a separate machine on our premises access our network for data. She assures me that we could do this if she had 3 day's notice, and that no one on the network could access the machine without knowing the passwords, even the system administrators. She also indicated that she did not have an available machine, but this may not be a long-term problem. At any rate, I thought that you had indicated that you might have a Sun machine that could be used.

We should probably try to run things with a dummy sequence as a first try, just to see if anything works on a separate machine. The time this would take is hard to predict. We would then set up a more extensive run, which presumably would take less than a day to run with the actual sequence. You or your agent could be present when this is done, and we would only save the output data to compare against our results. We might want to run, say, 50, 100, and 200 paths with your sequence with several different deals, although Y.K. would have a better idea on this.

This approach to the testing appears to provide a very high degree of security. Unfortunately, the same approach probably cannot be used for production work. But we do not have to worry about that yet.

Once the runs were done, we would then set about trying to match them with large runs of our own. When this task is completed, we should have a good idea of the value of your sequence.

Please let me know if you see any problems with this approach. I still have not contacted our legal department, but I expect to do that shortly.

Bob Russell
Salomon Bros.